

Mineral Industry Surveys

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IRON ORE IN MAY 2005

U.S. mine production of iron ore in May 2005, on a daily average basis, was 20% higher than that of the prior month, according to the U.S. Geological Survey. Average daily production was 169,000 metric tons per day (t/d), 28,500 t/d more than the figure for April 2005.

Shipments in May 2005, on a daily basis, were 2% greater than those of April 2005. Mine stocks at the end of May were 38,000 metric tons (t) more than the corresponding stocks figure on April 30, a slight increase.

U.S. imports of iron ore in April 2005 were 29% less than exports, with exports exceeding imports by 416,000 t.

Prices.—Lower prices for iron ore exported from India to China have been linked to the recent reduction in steel prices. Although May saw a slight reduction in growth, Chinese steel production increased 41% over the past year (CRU International Ltd., 2005).

Exploration and Development.—With two deadlines approaching for the Hope Downs project, Hancock Prospecting Pty Ltd. moved to resolve the ownership issue (see Iron Ore in February 2005) and submit a project development proposal to the Government of Western Australia by the end of June (Mining Journal, 2005b). On July 1, Hancock Prospecting announced that Rio Tinto Limited would take a 50% stake in and manage the A\$2 billion Hope Downs project. Rio Tinto's participation in the project will drastically reduce rail requirements. An initial 30-kilometer (km) spur will connect the planned 25- to 30-million-metric-ton-per-year (Mt/yr) mining operation to existing infrastructure and allow access to Hope Downs's 1 billion metric tons of high-grade iron ore reserves (Bromby, 2005¹; Phaceas, 2005§).

Mount Gibson Iron Limited announced the signing of an agreement with Shougang Holding (Hong Kong) Limited for development of the Extension Hill magnetite deposit in the Mid West region of Western Australia. An A\$10 million bankable feasibility study for the 5-Mt/yr mine, concentrator, slurry pipeline, and associated port infrastructure was planned for completion in October 2005. If the study is positive, Asia Iron Holdings Limited, a 63%-owned subsidiary of Mount Gibson,

would allocate A\$15 million towards development of Extension Hill. Shougang would provide A\$120 million in equity to earn a 50% interest in the newly-formed Extension Hill Pty Ltd. (Mount Gibson Iron Limited, 2005§).

The Extension Hill project is expected to cost A\$750 million, including a 270-km iron ore slurry pipeline to the Port of Geraldton, costing A\$340 million, and two pellet plants to be built at Longtan (near Nanjing) in China (Metal Bulletin, 2005).

Transportation.—The Soo Locks at Sault Ste. Marie, MI, celebrated its 150th anniversary. The first lock on the St. Mary's River was completed in 1855 by the Fairbanks Scale Co., a mining company (Flesher, 2005§).

Through May 2005, China imported 110 million metric tons (Mt) of iron ore, 34% more tonnage than for the same period in 2004. The May import figure, 22.45 Mt, represented a 70% increase over that of May 2004 (Mining Journal, 2005a).

References Cited

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Phaceas, John, 2005 (July 5), Hope Downs deal sees wheel turn full circle, The Age, accessed July 5, 2005, via URL <http://www.theage.com.au>.

¹References that include a section mark (§) are found in the Internet References Cited section.

TABLE 1
U.S. PRODUCTION AND SHIPMENTS OF IRON ORE^{1,2}
(Exclusive of ore containing 5% or more of manganese)

(Thousand metric tons)

Period	Production		Shipments	
	Monthly	Year to date	Monthly	Year to date
2004:				
May	4,800	22,100	5,300	18,400
June	4,470	26,500	5,880	24,200
July	4,950	31,500	5,550	29,800
August	4,500	36,000	5,670	35,500
September	4,420	40,400	5,420	40,900
October	5,110	45,500	4,780	45,700
November	4,730	50,200	5,110	50,800
December	4,450	54,700	5,150	55,900
2005:				
January	4,420	4,420	3,350	3,350
February	3,870	8,290	1,150	4,500
March	4,240	12,500	2,610	7,110
April	4,220	16,800	4,940	12,100
May	5,250	22,000	5,210	17,300

¹Data are rounded to no more than three significant digits.

²Excludes byproduct ores.

TABLE 2
U.S. PRODUCTION, SHIPMENTS, AND STOCKS OF IRON ORE IN MAY^{1,2}

(Thousand metric tons)

State	Production		Shipments ³		Stocks ⁴	
	2005	2004	2005	2004	2005	2004
Michigan	1,370	1,130	1,190	1,090	2,150	2,010
Minnesota	3,880	3,670	4,020	4,210	5,580	5,650
Total	5,250	4,800	5,210	5,300	7,730	7,660

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Excludes byproduct ore.

³Includes rail and vessel.

⁴Includes mines, plants, and loading docks.

TABLE 3
CANADA: SHIPMENTS OF IRON ORE¹

(Thousand dry metric tons)

Period	Newfoundland	Quebec	British Columbia	Total
2004:				
April	1,650	858	5	2,520
May	1,920	1,740	7	3,660
June	1,970	981	8	2,960
July	1,710	1,380	10	3,110
August	698	1,120	8	1,830
September	124	1,220	5	1,350
October	635	1,570	7	2,210
November	1,390	958	10	2,360
December	1,370	944	9	2,330
Year total	14,900	13,200	87	28,300
2005:				
January	1,210	1,070	8	2,280
February	928	748	8	1,680
March	1,460	873	10	2,340
April	1,600	967	7	2,580

¹Data are rounded to no more than three significant digits; may not add to totals shown.

Source: Natural Resources Canada.

TABLE 4
PRODUCTION OF PIG IRON AND RAW STEEL IN THE UNITED STATES, BY TYPE OF FURNACE^{1, 2}

(Thousand metric tons)

Period	Pig iron production, blast furnace		Raw steel production			
	Monthly	Year to date	Basic oxygen furnace ³		Electric furnace	
			Monthly	Year to date	Monthly	Year to date
2004:						
April	3,400	13,600	3,840	15,300	4,230	16,500
May	3,400	17,000	3,780	19,100	4,560	21,100
June	3,390	20,400	3,790	22,900	4,340	25,400
July	3,370	23,700	3,800	26,700	5,010	30,400
August	3,490	27,200	3,830	30,500	4,620	35,100
September	3,400	30,600	3,020	33,500	5,370	40,400
October	3,570	34,200	3,030	36,600	5,630	46,100
November	2,140	36,300	5,520	42,100	2,580	48,600
December	4,270	40,600	3,810	45,900	4,390	53,000
2005:						
January	3,420	3,420	3,890	3,890	4,390	4,390
February	3,260	6,680	3,710	7,590	3,930	8,320
March	3,660	10,300	4,040	11,600	4,150	12,500
April	3,080	13,400	3,500	15,100	4,440	16,900

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Inconsistencies in 2004 year-to-date figures for pig iron and raw steel production reflect consolidated revisions for previous months.

³Raw steel production figures for the basic oxygen process are usually greater than the corresponding pig iron production figures because scrap is routinely melted in the basic oxygen furnace together with the molten pig iron.

Source: American Iron and Steel Institute.

TABLE 5
U.S. EXPORTS OF IRON ORE, BY COUNTRY OF DESTINATION AND TYPE^{1,2}

(Thousand metric tons)

Country of destination and type of product	2004		2005			
	4th quarter	January-December	February	March	1st quarter	April
Canada	1,710	7,830	139	338	1,280	1,440
China	26	297	--	--	--	1
Mexico	2	4	(3)	(3)	1	(3)
Slovakia	--	187	--	--	--	--
Trinidad and Tobago	--	29	--	--	--	(3)
Other	1	53	(3)	(3)	(3)	(3)
Total	1,740	8,400	139	338	1,280	1,440
Pellets	1,700	8,100	137	336	1,280	1,440
Concentrates	2	25	1	1	2	1
Direct shipping ores	30	264	(3)	(3)	(3)	1
Other	3	6	1	1	2	(3)
Total	1,740	8,400	139	338	1,280	1,440

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes agglomerates.

³Less than 1/2 unit.

Source: U.S. Census Bureau.

TABLE 6
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE, BY COUNTRY AND TYPE^{1,2}
(Exclusive of ore containing 20% or more manganese)

Country of origin and type of product	2005					2004
	April		Year to date			January-April
	Thousand metric tons	Value ³ (thousand dollars)	Thousand metric tons	Value ³ (thousand dollars)	Value ³ (dollars per ton)	Thousand metric tons
Australia	--	--	--	--	--	(4)
Brazil	283	11,600	1,480	51,900	34.98	1,570
Canada	690	26,000	1,360	55,600	40.95	1,120
Chile	41	1,850	172	6,200	35.98	59
China	--	--	(4)	2	263.13 ⁵	--
Finland	--	--	3	144	50.07	4
Greece	--	--	13	243	18.80	--
Mexico	1	25	4	102	25.00	26
Paraguay	--	--	4	68	16.80	--
Peru	--	--	(4)	4	18.04	15
Russia	--	--	99	8,550	86.00 ⁶	--
South Africa	--	--	--	--	--	104
Spain	1	25	1	25	18.00	(4)
Trinidad and Tobago	6	316	375	11,000	29.45	--
Venezuela	--	--	14	499	36.00	21
Total	1,020	39,800	3,530	134,000	38.10	2,920
Concentrates	92	2,940	231	7,480	32.31	163
Coarse ores	--	--	21	710	34.21	(4)
Fine ores	293	9,000	1,250	35,100	28.21	843
Pellets	610	26,700	1,970	88,600	44.97	1,890
Briquettes	--	--	--	--	--	21
Other agglomerates	27	1,170	60	2,490	41.20	(4)
Roasted pyrites	--	--	--	--	--	4
Total	1,020	39,800	3,530	134,000	38.10	2,920

-- Zero.

¹Data, with the exception of the dollars per ton column, are rounded to no more than three significant digits; may not add to totals shown.

²Includes agglomerates.

³Customs value. Excludes international freight and insurance charges.

⁴Less than 1/2 unit.

⁵May include hot-briquetted iron, direct-reduced iron, or other specialty product.

⁶All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 7
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE IN APRIL 2005^{1,2}
(Exclusive of ore containing 20% or more manganese)

(Thousand metric tons)

Country of origin	Type of product						Total
	Concentrates	Coarse ores	Fine ores	Pellets	Briquettes and other agglomerates	Roasted pyrites	
Brazil	--	--	175	108	--	--	283
Canada	51	--	117	502	20	--	690
Chile	41	--	--	--	--	--	41
Mexico	--	--	--	--	1	--	1
Spain	--	--	1	--	--	--	1
Trinidad and Tobago	--	--	--	--	6	--	6
Total	92	--	293	610	27	--	1,020

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes agglomerates.

Source: U.S. Census Bureau.

TABLE 8
U.S. IMPORTS FOR CONSUMPTION OF PELLETS, BY COUNTRY¹

Country of origin	2005					2004
	April		Year to date			January-April
	Thousand metric tons	Value ² (thousand dollars)	Thousand metric tons	Value ² (thousand dollars)	Value ² (dollars per ton)	Thousand metric tons
Brazil	108	6,860	947	39,700	41.91	897
Canada	502	19,800	923	40,300	43.70	988
Russia	--	--	99	8,550	86.00	--
Total	610	26,700	1,970	88,600	44.97	1,890

-- Zero.

¹Data, with the exception of the dollars per ton column, are rounded to no more than three significant digits; may not add to totals shown.

²Customs value. Excludes international freight and insurance charges.

Source: U.S. Census Bureau.

TABLE 9
U.S. IMPORTS FOR CONSUMPTION OF IRON ORE,
BY CUSTOMS DISTRICT^{1, 2}
(Exclusive of ore containing 20% or more manganese)

(Thousand metric tons)

Customs district (code no.)	April	January-April	
	2005	2005	2004
Baltimore, MD (13)	352	1,220	1,270
Buffalo, NY (09)	2	5	1
Chicago, IL (39)	78	105	54
Cleveland, OH (41)	292	316	323
Detroit, MI (38)	27	27	27
Great Falls, MT (33)	--	--	(3)
Houston-Galveston, TX (53)	36	36	28
Los Angeles, CA (27)	--	(3)	--
Mobile, AL (19)	--	61	21
New Orleans, LA (20)	228	1,740	1,190
Nogales, AZ (26)	1	4	(3)
Philadelphia, PA (11)	--	--	4
San Francisco, CA (28)	--	4	--
San Juan, PR (49)	6	6	--
Total	1,020	3,530	2,920

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes agglomerates.

³Less than 1/2 unit.

Source: U.S. Census Bureau.

TABLE 10
U.S. IMPORTS FOR CONSUMPTION OF PELLETS,
BY CUSTOMS DISTRICT¹

(Thousand metric tons)

Customs district (code no.)	April	January-April	
	2005	2005	2004
Baltimore, MD (13)	185	655	457
Chicago, IL (39)	--	26	--
Cleveland, OH (41)	291	314	288
Detroit, MI (38)	27	27	27
Houston-Galveston, TX (53)	36	36	28
Mobile, AL (19)	--	61	--
New Orleans, LA (20)	72	851	1,090
Total	610	1,970	1,890

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

Source: U.S. Census Bureau.